

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

The Access College Early (ACE) Scholarship Program provides financial assistance to Nebraska students meeting certain income criteria who take courses for college credit while still enrolled in high school. Scholarships awarded under the program are equal to the lesser of tuition and mandatory fees incurred by the student after any applicable discounts or the tuition and mandatory fees that would have been incurred by the student for the same number of credit hours if the student were taking the course as a full-time, resident, undergraduate student from the University of Nebraska-Lincoln. Scholarship amounts are forwarded directly to the relevant Nebraska postsecondary education institution as payment of the eligible student's tuition and mandatory fees. Under the program, scholarships are awarded in the order that applications are received to the extent of available funding for the program. LB478 would require that at least 25% of the award recipients are to be enrolled in a skilled and technical sciences program as defined by the bill.

The Coordinating Commission for Postsecondary Education (CCPE) indicates enactment of LB478 would require revision of rules and regulations relating to the ACE Scholarship Program. The agency estimates associated one-time public hearing costs at \$787. This estimate appears reasonable.

During 2012-13, automation of processes associated with the ACE Scholarship Program was completed under contract with the Department of Administrative Services (DAS) – Office of the Chief Information Officer. A one-time appropriation of \$31,900 supported the automation project. Based on estimates provided by the Office of the Chief Information Officer, the provisions of LB478 would necessitate a substantial reprogramming of the ACE Scholarship automated system at a cost approximating \$35,000 to \$40,000. CCPE also estimates one-time costs of \$9,775 would be incurred to develop a database of skilled and technical science programs and courses across participating institutions that would qualify for not less than 25% of ACE Scholarships. In addition to these one-time reprogramming and database development costs relating to the ACE Scholarship automated system, CCPE estimates ongoing annual costs of \$3,725 associated with software updates and maintenance as well as records storage. However, funding appropriated in LB968 [2012] to the CCPE included one-time funds for the ACE Scholarship Program automation as well as ongoing funding in the amount \$3,324 to accommodate ongoing costs associated with software updates and maintenance. It would appear these funds may be sufficient to accommodate related ongoing costs.

CCPE estimates the LB478 requirement that not less than 25% of ACE Scholarships be awarded to students enrolled in skilled and technical science courses would add workload to administration of the program. Current CCPE staff includes a 1.0 FTE financial aid coordinator responsible for administration of the ACE Scholarship Program as well as the Nebraska Opportunity Grant Program. The agency estimates associated workload to necessitate 0.18 FTE staff primarily to monitor compliance with the 25% skilled and technical science course enrollment requirement. CCPE estimates associated personnel costs at \$12,215 annually. While related workload may not fully warrant a 0.18 FTE staffing adjustment, the associated workload would not be insignificant.

	<u>2013-14</u>	<u>2014-15</u>
Summary of Coordinating Commission estimated LB478 costs:		
Revise ACE Program rules & regulations	787	-0-
Reprogram ACE Program automated system	36,635	-0-
Skilled/technical science course database	9,775	-0-
Software updates/maintenance & data storage	-0-	3,725
Staff workload increase	<u>12,515</u>	<u>12,515</u>
	59,712	16,240

Total estimated costs are primarily dependent upon DAS – Office of the Chief Information estimated charges for reprogramming the current ACE Program automated system and development of a skilled/technical science course database. To the extent such charges could be minimized, total related costs might be reduced. Additionally as noted above, additional funds for software updates and maintenance as well as data storage would appear unnecessary.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 478	AM:	AGENCY/POLT. SUB: Nebraska Community College Association	
REVIEWED BY: Cindy Miserez		DATE: 2/8/2013	PHONE: 402-471-4174
COMMENTS: I concur with the analysis and conclusions of the Nebraska Community College Association's statement of minimal if any fiscal impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 478	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Cindy Miserez		DATE: 2/8/2013	PHONE: 402-471-4174
COMMENTS: I concur with the analysis and conclusions of the University of Nebraska's statement of no fiscal impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 478	AM:	AGENCY/POLT. SUB: Coordinating Commission for Postsecondary Education	
REVIEWED BY: Cindy Miserez		DATE: 1/31/2013	PHONE: 402-471-4174
COMMENTS: Concur with Coordinating Commission for Postsecondary Education's estimate of fiscal impact.			

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2013

LB⁽¹⁾ 478 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Coordinating Commission for Postsecondary Education

Prepared by: (3) Carna Pfeil Date Prepared: (4) January 30, 2013 Phone: (5) 402-471-0029

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>59,712.50 +</u>	<u>0</u>	<u>16,240 +</u>	<u>0</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u>59,712.50 +</u>	<u>0</u>	<u>16,240 +</u>	<u>0</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 478 would necessitate the rewrite of the rules and regulations for the ACE program. This would include \$500 for notice of hearing in the OWH, \$210.50 for travel for two Commissioners to hold the public hearing, and \$76.55 for copies, faxes, and staff travel.

This bill would also require a reprogramming of the just automated ACE program that was paid for with state general funds (\$31,900) provided for that purpose. As of October, 2012, the Commission finished the automation of ACE and fully tested the new software in coordination with high school counselors and higher education institutions. This automation was necessary because of the volume of applications, the paperwork involved in each application, the manual interaction with counselors and higher education financial aid administrators, and the significant time commitment of the program.

LB 478 would require the current ACE programming to be redone to institute the identification of college courses, dual enrollment or other courses, that low-income high school students are enrolling in while still in high school that would be designated as “skilled and technical sciences programs” such as housing and home furnishings; woods and construction; construction electricity; construction-home maintenance; computer-assisted drafting; metals and welding; and others as identified in the bill. Identification of specific courses falling within specific categories of programs is not part of the automated ACE program. The ACE software would need to be rewritten completely to identify specific courses within specific categories, to segregate those courses so a 25% portion of funds could be awarded to low-income students taking courses in those specifically identified categories, and to integrate the separate features of specific categories and level of 25% funding. Based on our recent experience, this reprogramming process would cost, at least, \$36,635 and would take up to 4 ½ months to program and implement.

An additional programming cost would be the development of a data-warehouse to store data related to the “skilled and technical sciences programs and courses. That data-warehouse would then be used to identify the courses that would qualify for the 25% of awards. The Commission does not have a database of those “skilled and technical sciences programs and courses”. The cost for this additional programming would be at least \$9,775 and would require at least 2 months to program and implement.

Because the Commission does not have the “skilled and technical sciences program and course data”, that information would have to come from the postsecondary institutions. Further, the data-warehouse would have to be updated each semester or quarter, depending on the type of institution and that update would have to be the responsibility of the postsecondary education institutions, including those institutions that are not public institutions (because many nonprofit institutions participate in the ACE

program). We cannot estimate the additional fiscal impact this reporting and updating would have on the postsecondary institutions, but we believe it would be significant. Because of this additional fiscal impact, we would recommend that the public postsecondary institutions be apprised of the potential fiscal impact for them resulting from this bill.

The bill would also require the Commission to spend additional time on the ACE program to make sure that 25% of the award recipients are enrolled in skilled and technical sciences courses. While the new program could identify students who are enrolled in skilled and technical sciences courses, the percentage of those awarded would change almost daily due to the first come/first served requirement of the statute. This would require the financial aid staff to manually monitor the proposed distribution of awards, review awards that were not utilized in each category (academic or skilled and technical sciences), and manually make adjustments to the software program to keep the skilled and technical sciences awards to students within the 25% requirement. This additional staff time would cost approximately \$10,175, plus benefits of \$2,340.

As an ongoing cost to operate the ACE program with the LB 478 changes, there would be updates to the software, maintenance, and storage of records and documents. The annual cost of these items would be \$3,725.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Unknown	0.18	0	10,175	10,175
	0	0	0	0
Benefits.....			2,340	2,340
Operating.....			46,987	3,725
Travel.....			210.50	0
Capital outlay.....			0	0
Aid.....			0	0
Capital improvements.....			0	0
TOTAL.....			59,712.50	16,240

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2013

LB⁽¹⁾ 478 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ February 4, 2013 Phone: ⁽⁵⁾ 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The bill would have no fiscal impact on the University.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2013

LB⁽¹⁾ 478 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Community College Association

Prepared by: ⁽³⁾ Dennis Baack Date Prepared: ⁽⁴⁾ 2/7/13 Phone: ⁽⁵⁾ 402-471-4685

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

Some colleges believe it will cost them some administrative fees of about \$5,000 per year. One college believes that the Coordinating Commission for Postsecondary Education would have to identify which courses fall into the prescribed categories and would then need to furnish the Commission with copies of their catalogs. My analysis shows a small administrative fee if the colleges have to identify the proper courses and no cost to the colleges if the Coordinating Commission has to identify the courses that meet the bill's criteria.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____